



North Carolina District Review

U.S. Small Business Administration, 6302 Fairview Road, Suite 300, Charlotte, NC 28210
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The *District Review* is available via e-mail or fax. Please let us know your preference and your correct fax or e-mail information. Notify Cecelia Rolls by phone at 704-344-6810, by fax at 704-344-6769 or e-mail at cecelia.rolls@sba.gov.

LENDER RANKINGS – FY2003 YTD

October 1, 2002 – January 31, 2003

LENDERS

	<u>No. of Loans</u>		<u>\$ Amount</u>
	<u>7(a)</u>	<u>504</u>	<u>Millions</u>
Large Banks			
1. Bank of America	56	0	\$1.8
2. Capital One	20	0	\$0.9
3. First Citizens Bank & Trust Company	15	5	\$4.8
4. Branch Banking & Trust Company	6	7	\$5.3
5. Wachovia Bank	12	1	\$5.4
Community Banks			
1. Surrey Bank & Trust Company	7	0	\$1.5
2. Southern Bank & Trust Company	5	1	\$1.2
3. Capital Bank	5	0	\$1.6
4. Four Oaks Bank & Trust Company	5	0	\$1.0
Small Business Lending Companies			
1. CIT Small Business Lending Corporation	11	0	\$5.3
2. Self-Help Credit Union	7	0	\$0.6
3. Business Loan Center, Inc.	4	0	\$3.9
Certified Development Companies			
1. Self-Help Ventures Fund		15	\$8.4
2. Charlotte Certified Development Corporation		5	\$1.8
3. Centralina Development Corporation		4	\$1.5

SBA LIFTS \$500,000 LOAN CAP

The 5-month cap on SBA loans has been lifted. Lenders can resume submitting applications for guaranteed loans up to the \$2 million statutory limit.

President Bush signed legislation that allows SBA to implement its revised econometric subsidy model, which more accurately forecasts the actual costs of the 7(a) loan program. The model will be applied retroactively to the beginning of the current fiscal year.

The econometric model, in combination with appropriation levels provided in the FY 2003 budget, will allow the agency to approve more the \$9.4 billion 7(a) loans during the current year. This will be in addition to the \$1.8 billion in STAR loans that have already been made.

SBA's WORKFORCE TRANSFORMATION

SBA is initiating some organizational changes to better meet the needs of small businesses. As part of this transformation, the North Carolina District Office was selected to participate in the pilot program. Effective **March 10, 2003**, 7(a) loan purchases and liquidations, and 504 loan approvals will be handled by Loan Centers.

Guaranty purchases and liquidations will be handled by the Santa Ana Liquidation Center. This office is dedicated solely to processing 7(a) liquidations and guaranty purchases. Please direct all correspondence to:

Santa Anna Liquidation Center
U.S. SBA
200 West Santa Ana Blvd, Suite 950
Santa Ana, CA 92701
(714) 550-9566

504 loan processing will be performed at the Sacramento Loan Processing Center. They, too, are solely dedicated to this activity. New 504 loans should be sent to:

Sacramento Loan Processing Center
U.S. SBA
501 I Street, Suite 12-100
Sacramento, CA 95814
(916) 930-2462

MONTHLY LENDER WORKSHOP

The NC District Office conducts Lender Workshops from 9:00 a.m. until 12:15 p.m. on the second Tuesday of each month at the Charlotte office. The workshops focus on SBA Programs and borrower eligibility. Walk-ins are welcome, but the presenter appreciates knowing if you are planning to come. Call Gary Borchardt at (704)344-6377 to register. Also, if you would like to have the same group training on-site at your bank, please call us to schedule.

MESSAGE FROM THE REGIONAL ADMINISTRATOR

LEADING AMERICA TO ECONOMIC RECOVERY

Small business is the engine driving America's economy, representing 99% of all employers, employing 51% of all private sector workers and generating over two-thirds of all new jobs. Here in the Southeast, we have long recognized the value of small business to our local, state and regional economies and have created an environment favorable to the development and growth of small businesses. Both state and municipal governments have worked to institute tax, labor, regulatory and environmental laws that are balanced, but that foster rather than hinder small business growth.

Similarly, President Bush's plan for economic recovery brings balanced relief to a host of economic ills. The plan provides new tax incentives designed to help small businesses make important job-creating investments, tax cuts like elimination of the death tax and targeted income tax revisions that will put more money into the economy now, relief for the unemployed and incentives for private sector investment. This is a winning formula; especially when coupled with the Administration's agenda for small business that includes tearing down the regulatory barriers to job creation, giving small business a voice in the regulatory process and empowering small business owners with greater insurance options for their employees. President Bush has without question made small business a priority for this Administration and placed it at the core of his economic recovery plan.

We at SBA and our partners have an equally important role in economic recovery: providing 21st century service to our small business customer, expanding the use of SBA programs and services and giving small businesses the information they need to navigate our current challenges. I am pledging my energy to insure that small businesses in this region have the tools they need to lead us to recovery. I charge each member of the SBA family to do the same.

Best wishes for a prosperous 2003!

Nuby Fowler
Regional Administrator – Atlanta Region
U.S. Small Business Administration

SBA APPROVES MORE SBAExpress Lenders

Southern Bank & Trust Company in Mt. Olive and Surrey Bank & Trust in Mount Airy have recently joined a growing number of North Carolina lenders authorized to use SBAExpress. This loan program is designed to increase the numbers of small SBA loans, particularly loans less than \$50,000.

SBAExpress makes it faster and easier for lenders to provide SBA guaranteed loans up to \$250,000. SBAExpress allows most lenders to use SBA's more efficient and streamlined loan review processes and includes fewer forms and procedures. It offers lenders incentives to provide very small loans, especially revolving lines of credit. Loans are processed centrally with usually instantaneous SBA response. For more information, please call the Finance Division at (704) 344-6810.

POLICY CHANGES AND CLARIFICATIONS

SBA can provide financial assistance to businesses that are owned by persons who are not citizens of the United States. Recently, SBA has clarified a section of the Operating Procedures concerning eligibility of an applicant not 100 percent owned by a U.S. citizen.

For a business which is not 100 percent owned by U.S. citizens and/or aliens with Legal Permanent Residence (LPR) Status, SBA requires that all 7(a) and 504 loans be fully secured. Also, evidence is required that the business has continual and consistent management in place.

SBA has clarified the above for when additional requirements will **NOT** be imposed. “In order for a business Not to be subject to these additional requirements, it must be at least 51 percent owned by individuals who are U.S. citizens and/or who have LPR Status from INS and control the management and daily operations of the business.”

Verification of Alien Status

SBA requires verification of INS alien status prior to submission of the application package. *SBAExpress* is the only exception to this requirement. For loans submitted under *SBAExpress*, verification of alien status must be completed prior to making any disbursements.

INS Verification

INS accepts either of the following authorization statements:

- (a) I authorize the Immigration and Naturalization Service to release information regarding my immigration status to [name of lender or Certified Development Company (CDC)], because I am applying for a U.S. Small Business Administration loan.
- (b) I authorize the Immigration and Naturalization Service to release alien verification information about me to [name of lender or Certified development Company (CDC)], because I am applying for a U.S. Small Business Administration loan.

Without this additional language, INS will not respond to the lender or CDC. It is also important not to abbreviate U.S. Small Business Administration. Individuals should submit the request on personal stationary and must not submit this statement on SBA or lender/CDC letterhead.

INS requires a “wet” signature on all Freedom of Information Act requests. Therefore, the Form G845 and the statement authorizing INS to release the status information to the Lender or CDC should never be faxed to an INS office.

INS, like many Federal Agencies, has changed their incoming mail handling procedures and this has caused delays in any request using “express mail”. It is advisable to use regular first class mail for these requests as we have noted no delays in the usual 10-14 day turnaround time. If you are experiencing delays beyond that time we would like to hear about the circumstances surrounding the request.

Questions from lenders should be directed to local SBA Finance Office at (704) 344-6810. Also, you may find additional information on our website at <http://www.sba.gov/library/soproom.html>. SOP 50 10 is the loan processing manual.

LENDERS SBA WEB SITE – “www.sba.gov/banking”

SBA website contains complete information on all SBA loan programs, all SBA forms, Policy and Procedural Notices, SBA Regulations and Standard Operating Procedures. You also will find the standardized 7(a) Loan Authorization and information on 1502 reporting procedures. This is intended to be a one-stop site; however if other information is needed or would be beneficial to the lending community, please let us know.

N.C. DISTRICT OFFICE CONTACT LIST

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